



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2896

Introduced 2/6/2025, by Rep. Matt Hanson

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-190

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Provides that a levy authorized for contributions to a Firefighters' Pension Fund for a municipality with a population of 500,000 or less is not considered a new rate. Effective immediately.

LRB104 09215 HLH 19272 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing  
5 Section 18-190 as follows:

6 (35 ILCS 200/18-190)

7 Sec. 18-190. Direct referendum; new rate or increased  
8 limiting rate.

9 (a) If a new rate is authorized by statute to be imposed  
10 without referendum or is subject to a backdoor referendum, as  
11 defined in Section 28-2 of the Election Code, the governing  
12 body of the affected taxing district before levying the new  
13 rate shall submit the new rate to direct referendum under the  
14 provisions of this Section and of Article 28 of the Election  
15 Code. Notwithstanding any other provision of law, the levies  
16 authorized by Sections 4-118, 21-110, and 21-110.1 of the  
17 Illinois Pension Code shall not be considered new rates;  
18 however, nothing in this amendatory Act of the 98th General  
19 Assembly or this amendatory Act of the 104th General Assembly  
20 authorizes a taxing district to increase its limiting rate or  
21 its aggregate extension without first obtaining referendum  
22 approval as provided in this Section. Notwithstanding any  
23 other provision of law, the levy authorized by Section 18-17

1 is considered part of the annual corporate extension for the  
2 taxing district and is not considered a new rate.  
3 Notwithstanding the provisions, requirements, or limitations  
4 of any other law, any tax levied for the 2005 levy year and all  
5 subsequent levy years by any taxing district subject to this  
6 Law may be extended at a rate exceeding the rate established  
7 for that tax by referendum or statute, provided that the rate  
8 does not exceed the statutory ceiling above which the tax is  
9 not authorized to be further increased either by referendum or  
10 in any other manner. Notwithstanding the provisions,  
11 requirements, or limitations of any other law, all taxing  
12 districts subject to this Law shall follow the provisions of  
13 this Section whenever seeking referenda approval after March  
14 21, 2006 to (i) levy a new tax rate authorized by statute or  
15 (ii) increase the limiting rate applicable to the taxing  
16 district. All taxing districts subject to this Law are  
17 authorized to seek referendum approval of each proposition  
18 described and set forth in this Section.

19 The proposition seeking to obtain referendum approval to  
20 levy a new tax rate as authorized in clause (i) shall be in  
21 substantially the following form:

22 Shall ... (insert legal name, number, if any, and  
23 county or counties of taxing district and geographic or  
24 other common name by which a school or community college  
25 district is known and referred to), Illinois, be  
26 authorized to levy a new tax for ... purposes and have an

1 additional tax of ...% of the equalized assessed value of  
2 the taxable property therein extended for such purposes?

3 The votes must be recorded as "Yes" or "No".

4 The proposition seeking to obtain referendum approval to  
5 increase the limiting rate as authorized in clause (ii) shall  
6 be in substantially the following form:

7 Shall the limiting rate under the Property Tax  
8 Extension Limitation Law for ... (insert legal name,  
9 number, if any, and county or counties of taxing district  
10 and geographic or other common name by which a school or  
11 community college district is known and referred to),  
12 Illinois, be increased by an additional amount equal to  
13 ...% above the limiting rate for the purpose of...(insert  
14 purpose) for levy year ... (insert the most recent levy  
15 year for which the limiting rate of the taxing district is  
16 known at the time the submission of the proposition is  
17 initiated by the taxing district) and be equal to ...% of  
18 the equalized assessed value of the taxable property  
19 therein for levy year(s) (insert each levy year for which  
20 the increase will be applicable, which years must be  
21 consecutive and may not exceed 4)?

22 The votes must be recorded as "Yes" or "No".

23 The ballot for any proposition submitted pursuant to this  
24 Section shall have printed thereon, but not as a part of the  
25 proposition submitted, only the following supplemental  
26 information (which shall be supplied to the election authority

1 by the taxing district) in substantially the following form:

2 (1) The approximate amount of taxes extendable at the  
3 most recently extended limiting rate is \$..., and the  
4 approximate amount of taxes extendable if the proposition  
5 is approved is \$....

6 (2) For the ... (insert the first levy year for which  
7 the new rate or increased limiting rate will be  
8 applicable) levy year the approximate amount of the  
9 additional tax extendable against property containing a  
10 single family residence and having a fair market value at  
11 the time of the referendum of \$100,000 is estimated to be  
12 \$....

13 (3) Based upon an average annual percentage increase  
14 (or decrease) in the market value of such property of %...  
15 (insert percentage equal to the average annual percentage  
16 increase or decrease for the prior 3 levy years, at the  
17 time the submission of the proposition is initiated by the  
18 taxing district, in the amount of (A) the equalized  
19 assessed value of the taxable property in the taxing  
20 district less (B) the new property included in the  
21 equalized assessed value), the approximate amount of the  
22 additional tax extendable against such property for the  
23 ... levy year is estimated to be \$... and for the ... levy  
24 year is estimated to be \$ ....

25 (4) If the proposition is approved, the aggregate  
26 extension for ... (insert each levy year for which the

1       increase will apply) will be determined by the limiting  
2       rate set forth in the proposition, rather than the  
3       otherwise applicable limiting rate calculated under the  
4       provisions of the Property Tax Extension Limitation Law  
5       (commonly known as the Property Tax Cap Law).

6       The approximate amount of taxes extendable shown in paragraph  
7       (1) shall be computed upon the last known equalized assessed  
8       value of taxable property in the taxing district (at the time  
9       the submission of the proposition is initiated by the taxing  
10      district). Paragraph (3) shall be included only if the  
11      increased limiting rate will be applicable for more than one  
12      levy year and shall list each levy year for which the increased  
13      limiting rate will be applicable. The additional tax shown for  
14      each levy year shall be the approximate dollar amount of the  
15      increase over the amount of the most recently completed  
16      extension at the time the submission of the proposition is  
17      initiated by the taxing district. The approximate amount of  
18      the additional taxes extendable shown in paragraphs (2) and  
19      (3) shall be calculated by multiplying \$100,000 (the fair  
20      market value of the property without regard to any property  
21      tax exemptions) by (i) the percentage level of assessment  
22      prescribed for that property by statute, or by ordinance of  
23      the county board in counties that classify property for  
24      purposes of taxation in accordance with Section 4 of Article  
25      IX of the Illinois Constitution; (ii) the most recent final  
26      equalization factor certified to the county clerk by the

1 Department of Revenue at the time the taxing district  
2 initiates the submission of the proposition to the electors;  
3 and (iii) either the new rate or the amount by which the  
4 limiting rate is to be increased. This amendatory Act of the  
5 97th General Assembly is intended to clarify the existing  
6 requirements of this Section, and shall not be construed to  
7 validate any prior non-compliant referendum language.  
8 Paragraph (4) shall be included if the proposition concerns a  
9 limiting rate increase but shall not be included if the  
10 proposition concerns a new rate. Any notice required to be  
11 published in connection with the submission of the proposition  
12 shall also contain this supplemental information and shall not  
13 contain any other supplemental information regarding the  
14 proposition. Any error, miscalculation, or inaccuracy in  
15 computing any amount set forth on the ballot and in the notice  
16 that is not deliberate shall not invalidate or affect the  
17 validity of any proposition approved. Notice of the referendum  
18 shall be published and posted as otherwise required by law,  
19 and the submission of the proposition shall be initiated as  
20 provided by law.

21 If a majority of all ballots cast on the proposition are in  
22 favor of the proposition, the following provisions shall be  
23 applicable to the extension of taxes for the taxing district:

24 (A) a new tax rate shall be first effective for the  
25 levy year in which the new rate is approved;

26 (B) if the proposition provides for a new tax rate,

1 the taxing district is authorized to levy a tax after the  
2 canvass of the results of the referendum by the election  
3 authority for the purposes for which the tax is  
4 authorized;

5 (C) a limiting rate increase shall be first effective  
6 for the levy year in which the limiting rate increase is  
7 approved, provided that the taxing district may elect to  
8 have a limiting rate increase be effective for the levy  
9 year prior to the levy year in which the limiting rate  
10 increase is approved unless the extension of taxes for the  
11 prior levy year occurs 30 days or less after the canvass of  
12 the results of the referendum by the election authority in  
13 any county in which the taxing district is located;

14 (D) in order for the limiting rate increase to be  
15 first effective for the levy year prior to the levy year of  
16 the referendum, the taxing district must certify its  
17 election to have the limiting rate increase be effective  
18 for the prior levy year to the clerk of each county in  
19 which the taxing district is located not more than 2 days  
20 after the date the results of the referendum are canvassed  
21 by the election authority; and

22 (E) if the proposition provides for a limiting rate  
23 increase, the increase may be effective regardless of  
24 whether the proposition is approved before or after the  
25 taxing district adopts or files its levy for any levy  
26 year.

1 Rates required to extend taxes on levies subject to a  
2 backdoor referendum in each year there is a levy are not new  
3 rates or rate increases under this Section if a levy has been  
4 made for the fund in one or more of the preceding 3 levy years.  
5 Changes made by this amendatory Act of 1997 to this Section in  
6 reference to rates required to extend taxes on levies subject  
7 to a backdoor referendum in each year there is a levy are  
8 declarative of existing law and not a new enactment.

9 (b) Whenever other applicable law authorizes a taxing  
10 district subject to the limitation with respect to its  
11 aggregate extension provided for in this Law to issue bonds or  
12 other obligations either without referendum or subject to  
13 backdoor referendum, the taxing district may elect for each  
14 separate bond issuance to submit the question of the issuance  
15 of the bonds or obligations directly to the voters of the  
16 taxing district, and if the referendum passes the taxing  
17 district is not required to comply with any backdoor  
18 referendum procedures or requirements set forth in the other  
19 applicable law. The direct referendum shall be initiated by  
20 ordinance or resolution of the governing body of the taxing  
21 district, and the question shall be certified to the proper  
22 election authorities in accordance with the provisions of the  
23 Election Code.

24 (Source: P.A. 103-592, eff. 6-7-24.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.